Declassified in Part - Sanitized Copy Approved for Release 2011/12/12: CIA-RDP82-00457R003300260001-3 CLASSIFICATION SECRET/CONTROL - U.S. OFFICIALS O CENTRAL INTELLIGENCE AGENCY REPORT information report CD NO. 50X1-HUM COUNTRY Yugoslavia DATE DISTR. 16 September 1949 SUBJECT Views of Yugoslav Government Officials Relative NO. OF PAGES to Tugoslavia's Future Foreign Policy PLACE NO. OF ENCLS. **ACQUIRED** (LISTED BELOW) 50X1-HUM DATE OF IN SUPPLEMENT TO REPORT NO The same of the said of the said of the said The describer expected directioned appearance and immedial septemble of the course of THIS IS UNEVALUATED INFORMATION 50X1-HUM A recent exchange of notes between Yugoslavia and the Soviets, and Soviet sabotage tactics, have convinced top Tugoslav Government officials that the time for a decision is at hand. 2. Officials are still debeting which side, East or West, offers Tugoslavia most advantages and demands least concessions. The majority favors a reconciliation with the Cominform. The minority wants a complete break with Cominform countries and a gradual entry into the Western blos. Marshel Tito is currently in Brioni with his closest advisers, studying the problems so as to reach a final decision. 3. The outstanding exponents of reconciliation are Edvard Kardelj and Ales Babler, the are supported by a group of Generals, Deputies and other high government officials. Savo Kosanovic, M. Ivakovic and prominent officials of the Yugoslav Foreign Office and Winistry of Commerce, favor increasingly closer thes with the West. Hose Pijade and Alexander Rankovic are non-committal and will follow whatever decision is reached. As a Marxdet theorist, Pijade is consistently hostile to the Soviet state and its methods. Rankovic feels that he has alienated both and is bound to lose out whichever faction wins. 4. For the past several months, Tito and Pijade have been estranged. Tito avoided exposing the feud in the fear of causing a major split in the Yugoslav Communist Party. Pijade vigorously objected to wholesale purges in the Army, Police and Government, and has accused Tito of exaggerating the extent of the Soviet menace in the country. Moreover, Pijade recently confided to intimate friends that he eventually hopes to succeed Tito. During late August, at the Brioni conferences, Kardelj proposed to Tito that a purge should be made of all pro-Western Tugoslav diplomats, including Kosanovic. Tito, allegedly outraged at the suggestion, replied that the role being played by Kesanovic should be envised by everyone. The work of Rosanovic in Washington enabled Yugoslavia to purchase in Western markets, without which the Yugoslav sconomy would have collapsed. CLASSIFICATION forti/control - u.s. 50X1-HUM OFFICIALS ONLY STATE WYAM 26 8 I NSRB Document No. ARMY 35 AIR This document THANGE CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United States. Auth: Next Review Date: 2008 Date:

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- 6. During the same period Kesanovic conferred twice with Tite at Brioni, at which time he pointed out:
 - a. The United States was not opposed to aiding the present Yugoslav regime but only asked for certain economic guarantees, and the cessation of anti-United States propagands.
 - b. Tugoslavia must do nothing deliberate to antagonize the Sovieta or the United States, but maintain the status que until an accord is reached between the East and West. The accord is certain to materialize through the mediation of the British who desire to avoid armed intervention in Europe at any cost.
 - c. The United States and the Soviet Union will not go to war over Tugoslavia.
 - d. Tugoslavia should observe carefully the present policies of the British, which, economically and politically, are today in a comparable position to those of Tugoslavia with the United States. A current, clear-cut commercial accord with the British should be used as the basis for future political agreements.
- 7. Kosanovic presented his personal position and opinion as follows:

"I am being reprimended for being the leader of a group of diplomate and government officials who sock to link Yugoslavia with the West. The accusation is true in part, but Kardelj forgets that because of our political intransigeance at the time we nero under the dictatorship of the Soviet Union, we practically isolated ourselves from Italy and Austria; we alienated France, Scandinavia and Latin America; and today Britain and America regard us with the same suspicion with which they look upon other satellite countries. We must get out of this blind alley by the end of the year or Tugoslavia will be torn by civil wer.

"It is foolish to spend countless dollars and pounds in an attempt to form Communist Parties abroad which are opposed to the Cominform. There is but one Communist Party and its facsimiles are nothing but substitutes for nationalism. We must not be under the illusion that tomorrow the West will look with benevolence upon this pseudo-Communism.

"Randolj is only angry with me because I refused to form one of these mariomette parties in the United States, based on remnants of the Wallace Party. Wallace himself, after making two pleas on our behalf with the Branlin, is now convinced that the Soviets are determined to everthrow the present Tugoslav Covernment and to create, as soon as possible, a Balkan Federation which is destined, together with Czechoslovakia and Poland, to become an integral part of the Soviet Union. I have never been against reconciliation with the Soviets, but events have reached a point where this is no longer possible."

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